

1                                   **THE REGULAR MEETING**  
2                                   **OF THE**  
3                                   **BOARD OF DIRECTORS**  
4                                   **TRABUCO CANYON WATER DISTRICT**  
5                                   **FEBRUARY 16, 2011**

6           The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District  
7 (TCWD) was called to order by President Mike Safranski at 7:00 p.m. at Trabuco Canyon Water  
8 District's office located at 32003 Dove Canyon Drive, Trabuco Canyon, California. Teresa  
9 Teichman, Secretary to the Board of Directors, recorded and transcribed the minutes thereof.

10                   **DIRECTORS PRESENT**

11                   Mike Safranski, President  
12                   Ed Mandich, Vice President  
13                   Jim Haselton, Director  
14                   Glenn Acosta, Director  
15                   Matt Disston, Director

16                   **STAFF PRESENT**

17                   Don Chadd, General Manager  
18                   Hector Ruiz, District Engineer  
19                   Teresa Teichman, Secretary to the Board of Directors  
20                   Michael Perea, Special Projects Manager  
21                   Karen Warner, Accounting Technician

22                   **PUBLIC PRESENT**

23                   There was one member of the public present.

24                   **PLEDGE OF ALLEGIANCE**

25                   Director Disston led the Board and staff in the pledge of allegiance.

26                   **VISITOR COMMENTS**

27                   There were no visitor comments.

28                   **ORAL COMMUNICATION**

1 There were no oral comments..

2 **DIRECTOR'S COMMENTS**

3 Director Disston provided a recap of February's S.O.C.W.A. meeting and provided  
4 details relating to IRWD's biosolid receiving plant.

5 Mr. Don Chadd, General Manager, suggested agendizing this item if there is this level of  
6 detailed information and interest by the Board.

7 President Safranski relayed that he toured several of the damaged areas within the  
8 District over the weekend with the General Manager.

9  
10 **REPORT FROM THE GENERAL MANAGER**

11 There was no report from the General Manager

12 **ITEMS TOO LATE TO BE AGENDIZED**

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14 Mr. Chadd advised he was contacted by Legal Counsel yesterday relating to capital  
15 expenditures incurred by TCWD due to storm damage repairs and the need to adopt a Resolution  
16 protecting TCWD's financial rights for reimbursement. Mr. Chadd requested that the Board  
17 bring this item on as an item too late to be agendized as Item 1L due to the fact that the  
18 information was received after the posting of this agenda and the need exists to hear the matter  
19 prior to the next Regular Board Meeting on March 16, 2011.

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21 **MOTION:** A motion was made by Director Disston and seconded by Director  
22 Haselton to bring this item on to the agenda as Item 1L. The motion  
carried 5-0

23 **CONSENT CALENDAR**

24 President Safranski announced that all matters under the Consent Calendar would be  
25 approved by one motion unless a Board Member requests a separate action on a specific item.

26  
27 **ACTION CALENDAR**

1 President Safranski stated that the General Manager and staff had reviewed all matters  
2 under the Action Calendar prior to the Board's consideration.

3  
4 **MOTION:** A motion was made by Director Acosta to approve the Consent Calendar,  
5 Item Nos. 1A through 1C. Director Disston made a second to the motion.  
6 The motion carried 5-0.

7 **ADMINISTRATIVE MATTERS**

8 **ITEM NO. 1D DISCUSSION AND POSSIBLE ACTION RELATING TO FISCAL**  
9 **YEAR 2009/2010 AUDIT**

10 President Safranski asked the Board if they had any further questions of staff or legal  
11 counsel or any matters to discuss amongst the board members. The Board agreed this matter had  
12 been thoroughly covered in the workshop.

13 **MOTION:** A motion was made by Director Disston to receive and file the Audit  
14 Report. Director Acosta made a second to the motion. The motion carried  
15 5-0.

16 **ITEM NO. 1E REVIEW AND POSSIBLE ACTION RELATING TO ARBITRAGE**  
17 **REBATE CALCULATION, 1994 SENIOR LIEN SERIES A AND**  
18 **JUNIOR LIEN SERIES B**

19 Mr. Chadd explained the basis for the Arbitrage Rebate Calculation and reviewed the  
20 information provided by Willdan Financial which clearly indicates there is no possibility of any  
21 arbitrage occurring. Mr. Chadd advised he and staff had discussions with legal counsel in an  
22 attempt to save the district money and not perform the arbitrage in light of the current economic  
23 climate. Legal counsel concluded it is a required covenant of the Bond.

24 **MOTION:** A motion was made by Director Disston to receive and file the Arbitrage  
25 Rebate Calculation, 1994 Senior Lien Series A and Junior Lien Series B  
26 Report. Vice President Mandich made a second to the motion. The  
27 motion carried 5-0.  
28

1 **ITEM NO. 1F            RATIFICATION OF DIRECTOR'S FEES AND EXPENSES AND**  
2 **FUTURE MEETINGS**

3        Mr. Chadd noted this item has been moved to the action calendar so that any questions or  
4 discrepancies can be address. There were none. Director Disston stated he will be unavailable  
5 for the March 10, 2011 Engineering/Operational Committee Meeting. Director Haselton will  
6 attend as the alternate committee member.

7        **MOTION:**    A motion was made by Director Acosta to approve the director's fees and  
8 expenses and future meeting as presented. Director Disston seconded the  
9 motion. The motion carried 5-0.

10 **ITEM NO. 1G            STATUS UPDATE RELATING TO WATER MONITORING AND**  
11 **WATER CONSERVATION EFFORTS**

12        Mr. Chadd reviewed the water allocation graphs and data provided by MWDOC as of  
13 January 21, 2011. Also reviewed were each of the Directors personal water consumption and  
14 consumption for the month of January by district customers.

15        The Board received and filed the information. No action necessary

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17 **ENGINEERING MATTERS**

18  
19 **ITEM NO. 1H            STATUS UPDATE AND POSSIBLE ACTION RELATING TO**  
20 **STORM DAMAGE**

21        Mr. Chadd provided a status update along with a power point of the district land, district  
22 infrastructure, and facilities relating to the storm damages from December 2010 and January  
23 2011.

24        Mr. Chadd advised Federal disaster has been declared for Orange County which allows  
25 TCWD to file for FEMA reimbursement. Mr. Chadd advised that staff attended a FEMA kick-  
26 off meeting on February 15, 201.

1 Mr. Chadd reviewed each of the projects and discussed the current status of the project  
2 and contract pricing.

3 Mr. Chadd relayed information regarding a phone call from a resident in the Canyon  
4 concerned about the condition of Rose Canyon Road. The caller stated the recent storms caused  
5 severe damage to the road and there is concern the dirt hauling trucks working at the rose  
6 reservoir may worsen the condition. Mr. Chadd explained to the caller the slope failure at rose  
7 reservoir and the need for emergency repairs which have now been completed.

8 Director Disston asked if the County of Orange owns the road. Mr. Chadd advised the  
9 road is owned collectively by all property owners along the road and that there is no preventative  
10 or repair program in place. It was noted garbage collection, septic hauling, delivery trucks and  
11 county vehicles are but a few of the vehicles that use this road routinely. As a good neighbor,  
12 TCWD would be receptive to an opportunity to form a Community Committee to address the  
13 road owners concerns.

14  
15 **MOTION:** A motion was made by Director Disston and seconded by Director Acosta  
16 to:  
17 1. Approve Resolution No. 2011-1145, Designation of Applicant's Agent  
18 Resolution for Non-State Agencies.  
19 2. Ratify emergency contracts issued since January 4, 2011.  
20 3. Approve contract invoices as reviewed

21 A motion was made by Director Disston and seconded by Director  
22 Haselton to call out the specific contracts being approved and then  
23 identified projects as WSP1a, WSP4, WSP5, WSP6, and RWP1

24 The motion carried 5- 0.

25 **ITEM NO. 11 STATUS UPDATE AND POSSIBLE ACTION RELATING TO**  
26 **ROSE CONAYON AND LANG GROUNDWATER TREATMENT**  
27 **FACILITY**

28 Mr. Ruiz provided a status update advising TCWD has completed the tracer study and the  
Department of Public Health (DPH) has approved TCWD's tracer study protocol. DPH has

1 issued the formal permit to operate the Trabuco Creek Well Facility.

2 Mr. Ruiz advised claims submittals are continuing in a timely manner and  
3 reimbursements to the district are on track.

4 Mr. Ruiz advised RC Foster and its subcontractors conducted project startup a week prior  
5 to and a week after the tracer study. Equipment startup, testing, and performance went well.  
6 Most of the work during startup was spent on coordination of the following three major control  
7 systems: Main control system (TESCO), filtration system (EPD Filters), and the finished water  
8 pumping system (Grundfos).

9 Mr. Ruiz discussed the proposed monuments sign as it relates to the actual materials used  
10 for the sign board and recommended a sign manufactured from real wood would better serve the  
11 canyon environment.

12 Mr. Ruiz advised TCWD is working to implement the new treatment system into its  
13 existing SCADA system and provide TCWD operators with remote monitoring and controls.  
14 Implementation requires assistance in programming of TCWD's SCADA system and purchase  
15 of new PCs and software similar to the new facility's controls system. TCWD did not include  
16 the above items in the original contract, because of the complexity in specifying a design based  
17 on multiple manufacturers. TCWD staff will begin procuring proposals for Software  
18 programming assistance for TCWD SCADA system along with hardware and software for  
19 remote monitoring and control of new system.

20 Mr. Ruiz discussed the proposed change orders which have no monetary impact. Mr.  
21 Ruiz noted the project is 99.9% complete and total change orders to date are at 1.55%. President  
22 Safranski expressed compliments to Mr. Ruiz for his efficient management of this large project  
23 stating it has come in on time, under budget, and with minimal change orders.

24 Discussion occurred relating to TCWD hosting a Ribbon Cutting Ceremony at the Well  
25 site to officially unveil the upgraded facility along with holding TCWD's Open House at the  
26 Well Facility during Water Awareness Month in May. The Board requested Mrs. Teichman e-  
27 mail out date option for both of the proposed events.

1 Director Acosta complimented Mr. Ruiz on his management of this project along with the  
2 level of technical work performed. Director Acosta also recommended sending a letter of  
3 appreciation to TCWD's contact at DHP for their assistance with this project.

4  
5 **MOTION:** A motion was made by Director Haselton and seconded by Director  
6 Disston to approve and authorize staff to process change orders as  
submitted. The motion carried 5- 0.

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8 **ITEM NO. 1J STATUS UPDATE RELATING TO BAKER WATER  
TREATMENT FACILITY**

9 Mr. Hector Ruiz, District Engineer, advised the Baker Water Treatment Plant (BWTP)  
10 Committee Meeting scheduled for February 10, 2011 has been cancelled.

11 Mr. Ruiz provided a brief status update advising the Baker EIR Public Review Meeting  
12 was held on February 9, 2011 at IRWD. The environmental consultant ESA provided a project  
13 overview presentation which was followed by a question and answer session with members of  
14 the Public.

15 Mr. Ruiz also advised the design consultant RBF-Carollo is planning to submit the 90%  
16 design on February 23, 2011 and copies will be available to each agency. Mr. Ruiz advised a  
17 design coordination meeting has been scheduled with MWD for February 24, 2011 to discuss  
18 various project related items including pipeline crossings, construction work with MWD  
19 easements, and surge analysis.

20 The Board received and filed the status update. No action required

21  
22 **LEGISLATIVE MATTERS**

23  
24 **ITEM NO. 1K REVIEW OF LOCAL GOVERNMENTAL AND LEGISLATIVE  
25 INFORMATIONAL ITEMS**

26  
27 Director Haselton provided a recap of the Independent Special District of Orange County  
28 January meeting wherein Special District LAFCO Regular and Alternate Seats were up for vote.

1 Mr. Chadd advised there is a meeting tomorrow which he and Director Disston will be  
2 attending relating to the Poseidon Desalinization plant in Huntington Beach and noted also on  
3 the agenda for that meeting is discussion relating to MWDOC's core and ad hoc services. The  
4 Board and Staff discussed MWDOC's new designation of core services and the budget impact.

5 Mr. Chadd provided a copy of February 2, 2011 Discussion Item from Mr. Kevin Hunt,  
6 General Manager of MWDOC, to the MWDOC Board of Directors entitled "MET's Proposed  
7 Bienniel Budget and Rates for FY 2011/12 and FY 2012/13".  
8

9  
10 **ITEM NO. 1L DISCUSSION AND POSSIBLE ACTION RELATING TO**  
11 **ADOPTION OF RESOLUTION NO. 2011-1146 DECLARING**  
12 **INTENTION TO REIMBURSE EXPENDITURES USING**  
13 **PROCEEDS OF ISSUED DEBT AND SECURITIES**

14 Mr. Rob Anslow, TCWD Legal Counsel, provided information to the Board  
15 explaining general reimbursement requirements in order to satisfy federal tax requirements and  
16 the 60 day timeline. Also discussed was Exhibit "B", Original Expenditure Memorandum.

17 **MOTION:** A motion was made by Director Disston and seconded by Director Acosta  
18 to approve Resolution No. 2011-1146 Declaring Intention to Reimburse  
19 Expenditures Using Proceeds of Issued Debt and Securities. The motion  
20 carried 5- 0.

21 **END ACTION CALENDAR**

22 **OTHER MATTERS**

23 Mr. Chadd discussed the scheduled shutdown of the Diemer Plant on February 24, 2011  
24 for maintenance purposes.

25 Mr. Chadd advised the City of Rancho Santa Margarita (RSM) has submitted a public  
26 records request seeking financial information as it relates to Community Facility Districts  
27 (CFD's) within their city boundaries. Mr. Chadd explained RSM made this same request and  
28

1 received all financial documentation for the same CFD's in 2006. Mr. Chadd explained no  
2 information has changed since 2006 as the only annual financial transactions are for the purposes  
3 of debt services, the original construction funds were exhausted decades ago when the original  
4 infrastructure was put in place. In an attempt to save the tax payers of these CFD's any  
5 additional administrative costs to pay, TCWD has allowed the City retained auditor to come to  
6 TCWD Administrative Office and view all financial information at no cost.  
7

8 Mr. Chadd showed a copy of "Rancho" Magazine to the Board and referred to a picture  
9 and article highlighting TCWD field staffs assistance during the Dove Canyon Community  
10 flooding.

11 Mr. Chadd advised the Board he has received a request from Derek McGregor as it  
12 relates to a \$1,400.00 donation to the Future Scientist and Engineers of America (FSEA)  
13 program at Robinson Ranch Elementary School.  
14

15 Director Haselton asked if the funding to sponsor this request was budgeted, Mr. Chadd  
16 replied that it was. Discussion occurred relating to the direct benefit to students at Robinson  
17 Ranch Elementary School and the overall benefit to the community. The Board authorized the  
18 General Manager to use the budgeted funds for the requested FSEA donation.  
19

#### 20 **ADDITIONAL DIRECTORS' COMMENTS**

21 There were no additional Director's comments.

#### 22 **ADDITIONAL GENERAL MANAGER COMMENTS**

23 There were no additional General Manager's comments.  
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#### 25 **ADJOURNMENT**

26 At 8:52 p.m. President Safranski adjourned the February 16, 2011 Regular Board  
27 Meeting.  
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Respectfully Submitted,

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Teresa Teichman  
Secretary to the Board of Directors

Boundaries